

For the year ended 31st March, 2005, the Group's turnover increased by 2% to HK\$974 million (2004: HK\$954 million) and net profit significantly increased by 22 times from HK\$0.5 million to HK\$12 million in comparison with the last year.

SALES OF MOBILE PHONES

The sale of mobile phones continued to be the Group's major core business for the year. The boost of the profit from HK\$2 million to HK\$22 million was driven by the improved performance of our retail chain, under the trading name of "Circle", and overseas subsidiaries and higher profit margin for new models when compared with last year.

As at 31st March, 2005, the mobile phones retail chain of the Group, namely "Circle", operated 7 counters in the Jusco Department Stores. In addition, the Group also operated a franchised "Nokia Professional Centre" in Mongkok.

SALE OF BUSINESS SOLUTIONS

The sales of business solutions relates to the sales of office telephone systems, security systems and integrated services, and the provision of installation, repair and maintenance service in relation to these systems. During the year under review, the division recovered from a loss of HK\$1 million last year to a profit of HK\$0.7 million. The improvement in the performance of the division was contributed by our improving sales efforts and uplifting of the quality of service provided.

PROPERTY INVESTMENT

Gross rental income generated from the investment properties decreased by 51% to HK\$1.6 million (2004: HK\$3.3 million), while the operating profit decreased from a profit of HK\$2 million to a loss of HK\$0.6 million. The decline was principally attributed to an increase in vacancy level after expiration of certain tenancies of the investment properties which were subsequently sold to an independent third party at a consideration of HK\$180 million and the completion of such disposal took place after the year end. The particulars of such sale were set out in the Company's announcement dated 3rd December, 2004 and circular dated 17th January, 2005.

Subsequent to the year end, the Group had also completed the acquisitions of investment properties in Hong Kong and Shanghai at cash consideration of approximately HK\$65 million and HK\$5 million respectively in order to enrich our investment properties portfolio for stable rental income.

PROSPECTS

With the continued popularity of the new mobile phone models and the established distribution and retail channels of the Group both locally and overseas, we are confident that the Group would keep its growth at a stable level in the coming year. We will also continue to seek for opportunities for further development in other countries.